

Natural Gas Royalty Trusts

A Weekly Analysis

March 6, 2003

Volatile Near-Term; Rising Long-Term

Summary and Recommendation

While estimated Next Twelve Months (NTM) distributions recede from last week's peak, estimated Present Values advance. That reflects a more sophisticated market than might have been the case in decades past. Of course, those startlingly high near-term prices could not last. Yet at the same time they tell us that long-term prices are probably too low. Meanwhile the McDep Ratio remains below 1.0 for recommended **San Juan Basin Royalty Trust (SJT)**. After the winter of 2001 stock price for SJT peaked in May at a McDep Ratio of about 1.04. **Cross Timbers Royalty Trust (CRT)** reached a McDep Ratio of 1.3 two years ago measured against present value that did not give as much credit for net revenue royalty, as opposed to net profits royalty, as does today's calculation. We reprint details for each of the three trusts again this week amid dynamic markets.

Kurt H. Wulff, CFA

Natural Gas and Oil Futures

March 3, 2003

	2004	2005	2006	2007	2008	2009	Six Year
Natural Gas (\$/mmbtu)							
Year ending March	5.80	4.74	4.22	4.01	4.08	4.10	4.49
Light Sweet Crude Oil (\$/bbl)							
Year ending March	30.93	25.25	24.02	23.93	23.88	23.83	25.31
Natural Gas/Oil (6:1 = 1.0)							
Year ending March	1.13	1.13	1.06	1.00	1.02	1.03	1.06

Source: Nymex, FutureSource, wsj.com, McDep Associates

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Table MEII-1
McDep Energy Income Ideas
Dividends, Debt and McDep Ratio

	Symbol/ Rating		Price (\$/sh) 5-Mar 2003	Shares (mm)	Market Cap (\$mm)	Div or Distrib. NTM (%)	Debt/ Present Value	McDep Ratio
High Greed Partnerships								
El Paso Energy Partners	EPN	S	31.40	57.0	1,790	8.6	0.64	2.65
Kinder Morgan Energy Partners, L.P.	KMP	S	36.41	141	5,140	6.9	0.47	1.84
Enbridge Energy Partners, L.P.	EEP	S	44.41	35.0	1,550	8.1	0.64	1.72
Kinder Morgan Management, LLC	KMR	S	32.04	39.5	1,270	7.8	0.47	1.68
Enbridge Energy Management, L.L.C	EEQ	S	39.05	9.0	350	9.2	0.64	1.59
Plains All Amer. Pipeline	PAA		24.80	50.0	1,240	8.7	0.49	1.58
Northern Border Partners	NBP		37.80	44.0	1,660	8.5	0.62	1.32
TEPPCO Partners, L.P.	TPP		30.49	50.0	1,520	7.9	0.56	1.31
Penn Virginia Res. Part, L.P.	PVR		23.40	15.3	360	8.5	-	1.30
AmeriGas Partners, L.P.	APU		24.21	49.4	1,200	9.1	0.51	1.16
Alliance Res. Part, L.P.	ARLP		22.63	15.9	360	8.8	0.45	1.07
<i>Total or Median</i>					16,400	8.5	0.51	1.58
U.S. Master Limiter Partnerships								
Enterprise Products Part (16%)	EPD		20.15	29	570	6.8	0.63	1.72
Dorchester Minerals, L.P.	DMLP		14.96	27.0	404	12.0	-	1.15
Canadian Royalty Trusts								
Provident Energy Trust	PVX		7.74	63.5	490	18.6	0.22	1.22
Enerplus Resources Fund	ERF		19.81	75.0	1,490	13.8	0.15	0.99
Pengrowth Energy Trust	PGH		10.14	110.0	1,120	18.6	0.16	0.93
Canadian Oil Sands Trust (US\$)	COS_u.TO	B	24.05	76.8	1,850	5.6	0.15	0.60
<i>Total or Median</i>					5,000	16.2	0.16	0.96
U.S. Natural Gas Royalty Trusts								
Cross Timbers Royalty Trust	CRT		21.40	6.0	128	12.1	-	1.02
San Juan Basin Royalty Trust	SJT	B	15.87	46.6	740	13.7	-	0.88
Hugoton RoyaltyTrust (46%)	HGT		15.17	18.4	280	14.0	-	0.85
<i>Total or Median</i>					1,150	13.7	-	0.88
Additional McDep Recommendations								
PetroChina Company Ltd (10%)	PTR	B	20.93	176	3,700	6.1	0.17	0.75
Marathon Oil Corporation	MRO	B	23.38	310	7,200	3.9	0.37	0.74
Royal Dutch/Shell	RD	B	40.23	3,481	140,000	4.2	0.15	0.72
ChevronTexaco Corporation	CVX	B	65.95	1,062	70,100	4.2	0.17	0.71
<i>Total or Median</i>					221,000	4.2	0.17	0.73

Buy/Sell rating after symbol: B - Buy, N - Neutral, S - Sell

NTM = Next Twelve Months Ended March 31, 2004

McDep Ratio = **Market cap and Debt to present value of oil and gas and other businesses**

Italicized issues are subject to, or sponsor, deceptive compensation arrangements that threaten value and financial viability, in our opinion.

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Table MEII-2
McDep Energy Income Ideas
Distribution Validity, Fees and Cash flow Multiples

	Symbol/ Rating		Price (\$/sh) 5-Mar 2003	Dist/ Equity Ebitda	Mgt Fee (%)	Fin Fee (%)	EV/ Ebitda NTM	PV/ Ebitda NTM
High Greed Partnerships								
<i>El Paso Energy Partners</i>	<i>EPN</i>	<i>S</i>	<i>31.40</i>	<i>4.3</i>	<i>71</i>	<i>6</i>	<i>23.9</i>	<i>9.0</i>
<i>Kinder Morgan Energy Partners, L.P.</i>	<i>KMP</i>	<i>S</i>	<i>36.41</i>	<i>1.5</i>	<i>46</i>	<i>6</i>	<i>16.0</i>	<i>8.7</i>
<i>Enbridge Energy Partners, L.P.</i>	<i>EEP</i>	<i>S</i>	<i>44.41</i>	<i>2.2</i>	<i>21</i>	<i>6</i>	<i>15.5</i>	<i>9.0</i>
<i>Kinder Morgan Management, LLC</i>	<i>KMR</i>	<i>S</i>	<i>32.04</i>	<i>1.5</i>	<i>46</i>	<i>6</i>	<i>14.6</i>	<i>8.7</i>
<i>Enbridge Energy Management, L.L.C</i>	<i>EEQ</i>	<i>S</i>	<i>39.05</i>	<i>2.2</i>	<i>21</i>	<i>6</i>	<i>14.3</i>	<i>9.0</i>
<i>Plains All Amer. Pipeline</i>	<i>PAA</i>		<i>24.80</i>	<i>1.7</i>	<i>9</i>	<i>6</i>	<i>14.2</i>	<i>9.0</i>
<i>Northern Border Partners</i>	<i>NBP</i>		<i>37.80</i>	<i>1.4</i>	<i>8</i>	<i>6</i>	<i>11.9</i>	<i>9.0</i>
<i>TEPPCO Partners, L.P.</i>	<i>TPP</i>		<i>30.49</i>	<i>1.2</i>	<i>25</i>	<i>6</i>	<i>11.8</i>	<i>9.0</i>
<i>Penn Virginia Res. Part, L.P.</i>	<i>PVR</i>		<i>23.40</i>	<i>1.0</i>	<i>2</i>	<i>8</i>	<i>11.2</i>	<i>8.6</i>
<i>AmeriGas Partners, L.P.</i>	<i>APU</i>		<i>24.21</i>	<i>1.1</i>	<i>1</i>	<i>6</i>	<i>10.4</i>	<i>9.0</i>
<i>Alliance Res. Part, L.P.</i>	<i>ARLP</i>		<i>22.63</i>	<i>0.7</i>	<i>2</i>	<i>8</i>	<i>7.5</i>	<i>7.0</i>
	<i>Median</i>						<i>14.2</i>	<i>9.0</i>
U.S. Master Limiter Partnerships								
<i>Enterprise Products Part (16%)</i>	<i>EPD</i>		<i>20.15</i>	<i>1.8</i>	<i>10</i>	<i>6</i>	<i>15.5</i>	<i>9.0</i>
<i>Dorchester Minerals, L.P.</i>	<i>DMLP</i>		<i>14.96</i>	<i>0.9</i>	<i>3</i>		<i>7.5</i>	<i>6.5</i>
Canadian Royalty Trusts								
<i>Canadian Oil Sands Trust (US\$)</i>	<i>COS_u.TO</i>	<i>B</i>	<i>24.05</i>	<i>0.2</i>			<i>4.5</i>	<i>7.4</i>
<i>Enerplus Resources Fund</i>	<i>ERF</i>		<i>19.81</i>	<i>0.8</i>	<i>8</i>	<i>6</i>	<i>5.6</i>	<i>5.7</i>
<i>Provident Energy Trust</i>	<i>PVX</i>		<i>7.74</i>	<i>0.9</i>	<i>11</i>	<i>8</i>	<i>4.5</i>	<i>3.7</i>
<i>Pengrowth Energy Trust</i>	<i>PGH</i>		<i>10.14</i>	<i>0.9</i>	<i>9</i>	<i>6</i>	<i>5.0</i>	<i>5.4</i>
	<i>Median</i>						<i>4.8</i>	<i>5.5</i>
U.S. Natural Gas Royalty Trusts								
<i>Cross Timbers Royalty Trust</i>	<i>CRT</i>		<i>21.40</i>	<i>0.9</i>			<i>7.8</i>	<i>7.7</i>
<i>San Juan Basin Royalty Trust</i>	<i>SJT</i>	<i>B</i>	<i>15.87</i>	<i>0.8</i>			<i>6.1</i>	<i>6.9</i>
<i>Hugoton RoyaltyTrust (46%)</i>	<i>HGT</i>		<i>15.17</i>	<i>0.7</i>			<i>5.3</i>	<i>6.3</i>
Additional McDep Recommendations								
<i>Royal Dutch/Shell</i>	<i>RD</i>	<i>B</i>	<i>40.23</i>	<i>0.2</i>			<i>6.2</i>	<i>8.6</i>
<i>ChevronTexaco Corporation</i>	<i>CVX</i>	<i>B</i>	<i>65.95</i>	<i>0.2</i>			<i>5.9</i>	<i>8.2</i>
<i>Marathon Oil Corporation</i>	<i>MRO</i>	<i>B</i>	<i>23.38</i>	<i>0.1</i>			<i>4.5</i>	<i>6.2</i>
<i>PetroChina Company Ltd (10%)</i>	<i>PTR</i>	<i>B</i>	<i>20.93</i>	<i>0.2</i>			<i>3.8</i>	<i>5.1</i>
	<i>Median</i>						<i>5.2</i>	<i>7.2</i>

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Table CRT-1
Cross Timbers Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation post 2008 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount Rate (%/yr):	5.0
		U.S. TIPS Inflation (%/yr):	1.9
		U.S. 10 Year Yield (%/yr):	3.6

PV/Volume (\$/mcf):	3.06	PV/EBITDA 2004:	7.8
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Year	Natural Gas Volume			Price (\$/mcf)	Revenue (\$mm)	Oil		Distribution (\$/unit)	Disc Factor	Present Value (\$/unit)
	Basic (bcf)	Enhanced (bcf)	Total (bcf)			Net (\$mm)				

Total 2004 through 2030; years ending on 3/31

	24	17	41	4.62	189	2	192	31.92	0.65	20.90
2004	2.6	0.0	2.6	5.52	14.3	1.2	15.5	2.58	0.98	2.52
2005	2.3	0.3	2.6	4.63	12.0	0.6	12.6	2.11	0.93	1.96
2006	2.1	0.5	2.6	4.08	10.6	0.3	10.9	1.81	0.88	1.60
2007	1.9	0.7	2.6	3.85	10.0	0.2	10.2	1.69	0.84	1.43
2008	1.7	0.9	2.6	3.86	10.0	0.1	10.1	1.68	0.80	1.35
2009	1.5	1.1	2.6	3.89	10.1	0.0	10.1	1.68	0.76	1.29
2010	1.4	1.2	2.6	3.99	10.4	0.0	10.4	1.73	0.73	1.25
2011	1.2	1.4	2.6	4.10	10.6	0.0	10.6	1.77	0.69	1.22
2012	1.1	1.2	2.3	4.22	9.8		9.8	1.64	0.66	1.08
2013	1.0	1.1	2.1	4.33	9.1		9.1	1.52	0.63	0.95
2014	0.9	1.0	1.9	4.45	8.4		8.4	1.40	0.60	0.84
2015	0.8	0.9	1.7	4.57	7.8		7.8	1.30	0.57	0.74
2016	0.7	0.8	1.5	4.70	7.2		7.2	1.20	0.54	0.65
2017	0.7	0.7	1.4	4.83	6.7		6.7	1.11	0.52	0.57
2018	0.6	0.6	1.2	4.96	6.2		6.2	1.03	0.49	0.50
2019	0.5	0.6	1.1	5.09	5.7		5.7	0.95	0.47	0.44
2020	0.5	0.5	1.0	5.23	5.3		5.3	0.88	0.44	0.39
2021	0.4	0.5	0.9	5.38	4.9		4.9	0.81	0.42	0.34
2022	0.4	0.4	0.8	5.52	4.5		4.5	0.75	0.40	0.30
2023	0.4	0.4	0.7	5.67	4.2		4.2	0.69	0.38	0.27
2024	0.3	0.3	0.7	5.83	3.8		3.8	0.64	0.37	0.23
2025	0.3	0.3	0.6	5.99	3.6		3.6	0.59	0.35	0.21
2026	0.3	0.3	0.5	6.15	3.3		3.3	0.55	0.33	0.18
2027	0.2	0.3	0.5	6.32	3.0		3.0	0.51	0.32	0.16
2028	0.2	0.2	0.4	6.50	2.8		2.8	0.47	0.30	0.14
2029	0.2	0.2	0.4	6.67	2.6		2.6	0.43	0.29	0.12
2030	0.2	0.2	0.4	6.86	2.4		2.4	0.40	0.27	0.11

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Table CRT-2
Cross Timbers Royalty Trust
Distributable Income

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	2003E	3/31/04	3/31/04
Highlights											
Tax credit (\$mm)											
Per unit	0.02	0.03	0.03	0.10					-		
Distributable Income (\$mm)	1.72	2.49	2.80	8.82	2.88	4.47	4.03	3.60	14.98	3.41	15.50
Per unit	0.29	0.42	0.47	1.47	0.48	0.74	0.67	0.60	2.50	0.57	2.58
Units (millions)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Volume											
Natural Gas (bcf)	0.71	0.77	0.75	3.01	0.73	0.71	0.72	0.73	2.88	0.73	2.88
Natural Gas (mmcf)	7.8	8.4	8.2	8.2	7.9	7.9	7.9	7.9	7.9	7.9	7.9
Days	90	91	92	365	92	90	91	92	365	92	365
Oil (mb)	82	82	82	330	81	78	80	79	318	78	314
Oil (mbd)	0.93	0.89	0.89	0.90	0.88	0.87	0.87	0.86	0.87	0.85	0.86
Days	89	92	92	365	92	89	92	92	365	92	365
Total (bcf)	1.20	1.26	1.25	4.98	1.21	1.18	1.20	1.20	4.79	1.20	4.77
Price											
Natural Gas (HH lagged three months)											
Henry Hub (\$/mmbtu)	2.53	3.38	3.21	2.88	4.30	7.02	6.31	5.68	5.83	5.53	6.13
Differential (\$/mmbtu)	(0.04)	0.33	0.13	0.07	0.43	0.70	0.63	0.57	0.59	0.55	0.62
CRT (\$/mcf)	2.57	3.05	3.08	2.81	3.87	6.32	5.68	5.11	5.24	4.98	5.52
Oil (\$/bbl) (WTI lagged two months)											
WTI Cushing	23.80	26.49	28.96	24.70	29.55	36.53	33.53	31.24	32.71	29.39	32.67
CRT	20.50	24.79	26.96	22.37	27.55	34.53	31.53	29.24	30.68	27.39	30.67
Total (\$/mcf)	2.92	3.47	3.64	3.18	4.16	6.09	5.51	5.02	5.19	4.82	5.36
Revenue (\$mm)											
Natural Gas	1.82	2.33	2.32	8.46	2.81	4.49	4.08	3.71	15.10	3.62	15.90
Oil	1.69	2.03	2.21	7.37	2.24	2.69	2.51	2.30	9.74	2.14	9.64
Total	3.50	4.37	4.54	15.83	5.05	7.18	6.59	6.02	24.84	5.76	25.54
Cost (\$mm)											
Tax, transport & other	0.51	0.60	0.64	2.09	0.71	1.00	0.92	0.84	3.48	0.81	3.58
Production	0.72	0.79	0.79	3.05	0.79	0.79	0.79	0.79	3.16	0.79	3.16
Total	1.23	1.40	1.43	5.14	1.50	1.80	1.71	1.63	6.64	1.60	6.74
Cash flow (\$mm)											
Development	0.14	0.08	0.20	0.71	0.20	0.20	0.20	0.20	0.80	0.20	0.80
Excess or other	0.07		(0.48)	(0.48)					-		
Net proceeds (\$mm)											
	2.06	2.89	3.39	10.46	3.35	5.18	4.68	4.18	17.40	3.96	18.00
Royalty income (\$mm)											
	1.82	2.53	2.95	9.18	2.92	4.51	4.07	3.64	15.14	3.45	15.66
Royalty/Net proceeds	88%	87%	87%	88%	87%	87%	87%	87%	87%	87%	87%
Administration	0.09	0.04	0.15	0.35	0.04	0.04	0.04	0.04	0.16	0.04	0.16
Distributable income (\$mm)											
	1.72	2.49	2.80	8.82	2.88	4.47	4.03	3.60	14.98	3.41	15.50
Modeling ratios											
Tax and other/revenue	0.15	0.14	0.14	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.14

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Table HGT-1
Hugoton Royalty Trust
Present Value

Volume Decline (%/yr):	10	Price Escalation Post 2008 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.6
Capex/Cash Flow (%):	30	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	17	U.S. 10 Year Yield (%/yr):	3.6
PV/Volume (\$/mcf):	1.62	PV/EBITDA 2004:	6.3

Year	Basic (bcf)	Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2004 through 2030; years ending on 3/31											
	262	176	438	4.37	1916	231	326	197	1162	29.06	0.61 17.80
2004	28.0	0.0	28.0	5.24	146.8	8.5	24.9	28.4	84.9	2.12	0.97 2.06
2005	25.2	2.8	28.0	4.39	122.8	8.5	20.9	28.0	65.3	1.63	0.92 1.50
2006	22.6	5.3	28.0	3.87	108.1	8.5	18.4	24.4	56.8	1.42	0.87 1.24
2007	20.4	7.6	27.9	3.65	101.8	8.5	17.3	22.8	53.2	1.33	0.83 1.10
2008	18.3	9.6	27.9	3.66	102.0	8.5	17.3	22.8	53.3	1.33	0.78 1.04
2009	16.4	11.4	27.9	3.68	102.6	8.5	17.4	23.0	53.7	1.34	0.74 0.99
2010	14.8	13.1	27.8	3.78	105.3	8.5	17.9	23.7	55.2	1.38	0.70 0.97
2011	13.3	14.5	27.8	3.89	108.1	8.5	18.4	24.4	56.8	1.42	0.66 0.94
2012	12.0	13.1	25.0	3.99	99.9	8.5	17.0		74.3	1.86	0.63 1.17
2013	10.7	11.7	22.5	4.10	92.2	8.5	15.7		68.0	1.70	0.59 1.01
2014	9.7	10.6	20.2	4.22	85.2	8.5	14.5		62.2	1.55	0.56 0.87
2015	8.7	9.5	18.2	4.33	78.7	8.5	13.4		56.8	1.42	0.53 0.76
2016	7.8	8.5	16.3	4.45	72.7	8.5	12.4		51.8	1.29	0.50 0.65
2017	7.0	7.7	14.7	4.57	67.1	8.5	11.4		47.2	1.18	0.48 0.56
2018	6.3	6.9	13.2	4.70	62.0	8.5	10.5		42.9	1.07	0.45 0.48
2019	5.7	6.2	11.9	4.83	57.3	8.5	9.7		39.0	0.97	0.43 0.42
2020	5.1	5.6	10.7	4.96	52.9	8.5	9.0		35.4	0.88	0.41 0.36
2021	4.6	5.0	9.6	5.09	48.9	8.5	8.3		32.0	0.80	0.38 0.31
2022	4.1	4.5	8.6	5.23	45.1	8.5	7.7		28.9	0.72	0.36 0.26
2023	3.7	4.0	7.8	5.38	41.7	8.5	7.1		26.0	0.65	0.34 0.22
2024	3.3	3.6	7.0	5.52	38.5	8.5	6.5		23.4	0.59	0.33 0.19
2025	3.0	3.3	6.3	5.67	35.6	8.5	6.0		21.0	0.52	0.31 0.16
2026	2.7	2.9	5.6	5.83	32.8	8.5	5.6		18.7	0.47	0.29 0.14
2027	2.4	2.6	5.1	5.99	30.3	8.5	5.2		16.6	0.42	0.28 0.11
2028	2.2	2.4	4.6	6.15	28.0	8.5	4.8		14.7	0.37	0.26 0.10
2029	2.0	2.1	4.1	6.32	25.9	8.5	4.4		12.9	0.32	0.25 0.08
2030	1.8	1.9	3.7	6.50	23.9	8.5	4.1		11.3	0.28	0.23 0.07

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Natural Gas Royalty Trusts

A Weekly Analysis

March 6, 2003

Table HGT-2
Hugoton Royalty Trust
Distributable Income

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	2003E	3/31/04	3/31/04
Highlights											
Revenue (\$mm) (80%)	16.5	19.7	19.0	73.7	27.9	43.9	35.1	33.3	140.2	34.5	146.8
Cash flow (\$mm) (80%)	10.1	13.2	12.8	48.3	20.3	35.0	26.9	25.3	107.5	26.4	113.6
Per unit	0.25	0.33	0.32	1.21	0.51	0.87	0.67	0.63	2.69	0.66	2.84
Tax credit (\$mm)	0.2	0.2	0.2	0.7							
Per unit	0.00	0.00	0.00	0.02							
Distributable Income (\$mm)	5.3	8.6	8.3	29.6	17.2	26.2	20.1	18.9	82.4	19.7	84.9
Per unit	0.13	0.22	0.21	0.74	0.43	0.65	0.50	0.47	2.06	0.49	2.12
Units (millions)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Volume											
Natural Gas (bcf)	8.3	8.6	8.4	34.3	8.3	8.0	8.3	8.3	32.9	8.3	32.9
Natural Gas (mmcf/d)	93.1	93.4	91.4	94.0	90.3	90.3	90.3	90.3	90.3	90.3	90.3
Days	89	92	92	365	92	89	92	92	365	92	365
Oil (mb)	88	90	90	358	89	85	87	86	346	86	344
Oil (mbd)	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9
Days	89	92	92	365	92	89	92	92	365	92	365
Total (bcf)	8.8	9.1	8.9	36.5	8.8	8.5	8.8	8.8	35.0	8.8	35.0
Price											
Natural Gas (HH lagged two months)											
Henry Hub (\$/mmbtu)	2.92	3.23	3.59	3.02	4.73	7.59	5.81	5.53	5.91	5.76	6.17
Differential (\$/mmbtu)	0.67	0.64	1.06	0.58	0.84	1.14	0.87	0.83	0.93	0.86	0.94
HGT (\$/mcf)	2.25	2.60	2.52	2.44	3.89	6.45	4.93	4.70	4.98	4.89	5.23
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	23.80	26.49	28.96	24.70	29.55	36.53	33.53	30.48	32.52	28.93	32.37
HGT	22.27	25.84	28.46	23.85	29.05	36.03	33.03	29.98	31.99	28.43	31.85
Total (\$/mcf)	2.33	2.70	2.66	2.53	3.95	6.43	4.97	4.72	5.00	4.88	5.24
Revenue (\$mm)											
Natural Gas	18.6	22.3	21.2	83.6	32.3	51.9	41.0	39.0	164.2	40.6	172.5
Oil	2.0	2.3	2.5	8.5	2.6	3.1	2.9	2.6	11.1	2.5	11.0
Total	20.6	24.6	23.8	92.2	34.9	54.9	43.8	41.6	175.3	43.1	183.4
Cost (\$mm)											
Tax, transport & other	1.9	2.2	2.4	8.2	3.5	5.5	4.4	4.2	17.5	4.3	18.3
Production	4.0	3.8	3.9	16.1	4.1	3.8	3.9	3.9	15.7	3.9	15.4
Overhead	2.0	2.1	1.5	7.6	1.9	1.9	1.9	1.9	7.7	1.9	7.7
Total	7.9	8.1	7.7	31.8	9.6	11.2	10.2	10.0	40.9	10.1	41.5
Cash flow (\$mm)	12.7	16.5	16.1	60.3	25.3	43.7	33.7	31.6	134.3	33.0	142.0
Development	5.8	5.8	5.4	22.7	3.7	10.9	8.4	7.9	31.0	8.2	35.5
Net proceeds (\$mm)	6.9	10.7	10.7	37.6	21.6	32.8	25.2	23.7	103.4	24.7	106.5
Royalty income (\$mm)	5.5	8.6	8.5	30.1	17.3	26.2	20.2	19.0	82.7	19.8	85.2
Royalty/Net proceeds	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Administration	0.2	(0.0)	0.3	0.5	0.1	0.1	0.1	0.1	0.3	0.1	0.3
Distributable income (\$mm)	5.3	8.6	8.3	29.6	17.2	26.2	20.1	18.9	82.4	19.7	84.9
Cost ratios											
Tax and other/revenue	9%	9%	10%	9%	10%	10%	10%	10%	10%	10%	10%
Production cost (\$/mcf)	0.46	0.42	0.43	0.44	0.47	0.44	0.44	0.44	0.45	0.44	0.44
Overhead cost (\$/mcf)	0.23	0.23	0.17	0.21	0.22	0.23	0.22	0.22	0.22	0.22	0.22
Development/Cash flow	0.46	0.35	0.34	0.38	0.15	0.25	0.25	0.25	0.23	0.25	0.25

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Natural Gas Royalty Trusts

A Weekly Analysis

March 6, 2003

Table SJT-1
San Juan Basin Royalty Trust
Present Value

Volume Decline (%/yr):	11	Price Escalation Post 2008 (%/yr):	2.7
Volume Enhancement (%/yr):	10	Discount rate (%/yr):	5.6
Capex/Cash Flow (%):	25	U.S. TIPS Inflation (%/yr):	1.9
Variable Cost (%):	12	U.S. 10 Year Yield (%/yr):	3.6
PV/Volume (\$/mcf):	1.61	PV/EBITDA 2004:	7.0

Year	Basic (bcf)	Volume Enhanced (bcf)	Total (bcf)	Price (\$/mcf)	Revenue (\$mm)	Fixed Cost (\$mm)	Var Cost (\$mm)	Cap Ex (\$mm)	Distribution (\$/unit)	Disc Factor	Present Value (\$/unit)
Total 2004 through 2030; years ending on 3/31											
	313	208	521	4.07	2121	350	255	186	1332	28.58	0.63 18.00
2004	34.9	0.0	34.9	4.27	148.7	11.5	17.8	18.0	101.4	2.18	0.97
2005	31.2	3.5	34.6	4.14	143.5	13.0	17.2	28.3	85.0	1.82	0.92
2006	27.9	6.6	34.4	3.65	125.8	13.0	15.1	24.4	73.3	1.57	0.87
2007	24.9	9.3	34.2	3.44	117.8	13.0	14.1	22.7	68.0	1.46	0.83
2008	22.3	11.8	34.0	3.45	117.5	13.0	14.1	22.6	67.8	1.45	0.78
2009	19.9	13.9	33.8	3.48	117.6	13.0	14.1	22.6	67.9	1.46	0.74
2010	17.8	15.8	33.6	3.57	120.1	13.0	14.4	23.2	69.5	1.49	0.70
2011	15.9	17.5	33.4	3.67	122.7	13.0	14.7	23.7	71.2	1.53	0.66
2012	14.2	15.7	29.9	3.77	112.7	13.0	13.5		86.1	1.85	0.63
2013	12.7	14.0	26.7	3.87	103.5	13.0	12.4		78.1	1.68	0.59
2014	11.4	12.5	23.9	3.98	95.0	13.0	11.4		70.6	1.52	0.56
2015	10.2	11.2	21.3	4.09	87.3	13.0	10.5		63.8	1.37	0.53
2016	9.1	10.0	19.1	4.20	80.2	13.0	9.6		57.6	1.24	0.50
2017	8.1	8.9	17.1	4.32	73.7	13.0	8.8		51.8	1.11	0.48
2018	7.3	8.0	15.3	4.44	67.6	13.0	8.1		46.5	1.00	0.45
2019	6.5	7.1	13.6	4.56	62.1	13.0	7.5		41.7	0.89	0.43
2020	5.8	6.4	12.2	4.68	57.1	13.0	6.8		37.2	0.80	0.41
2021	5.2	5.7	10.9	4.81	52.4	13.0	6.3		33.1	0.71	0.38
2022	4.6	5.1	9.7	4.94	48.1	13.0	5.8		29.4	0.63	0.36
2023	4.1	4.6	8.7	5.08	44.2	13.0	5.3		25.9	0.56	0.34
2024	3.7	4.1	7.8	5.22	40.6	13.0	4.9		22.7	0.49	0.33
2025	3.3	3.6	7.0	5.36	37.3	13.0	4.5		19.8	0.43	0.31
2026	3.0	3.3	6.2	5.51	34.3	13.0	4.1		17.2	0.37	0.29
2027	2.6	2.9	5.6	5.66	31.5	13.0	3.8		14.7	0.32	0.28
2028	2.4	2.6	5.0	5.81	28.9	13.0	3.5		12.4	0.27	0.26
2029	2.1	2.3	4.4	5.97	26.6	13.0	3.2		10.4	0.22	0.25
2030	1.9	2.1	4.0	6.14	24.4	13.0	2.9		8.5	0.18	0.23

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Natural Gas Royalty Trusts

A Weekly Analysis

March 6, 2003

Table SJT-2
San Juan Basin Royalty Trust
Distributable Income

	Q2	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	Next Twelve Months
	6/30/02	9/30/02	12/31/02	2002E	3/31/03	6/30/03	9/30/03	12/31/03	2003E	3/31/04	3/31/04
Highlights											
Revenue (\$mm) (75%)	18.6	20.7	20.4	78.9	29.9	43.1	35.9	34.2	143.1	35.5	148.7
Cash flow (\$mm) (75%)	14.1	16.0	15.5	59.7	23.9	36.0	29.3	27.7	116.8	28.9	121.9
Per unit	0.30	0.34	0.33	1.28	0.51	0.77	0.63	0.59	2.51	0.62	2.62
Tax credit (\$mm)	1.4	1.9	1.9	5.6					-		
Per unit	0.03	0.04	0.04	0.12					-		
Distributable Income (\$mm)	9.0	12.2	11.6	36.3	18.0	30.8	24.1	22.6	95.6	23.8	101.4
Per unit	0.19	0.26	0.25	0.78	0.39	0.66	0.52	0.48	2.05	0.51	2.18
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Volume											
Natural gas (mmbtu)	12.0	11.6	12.4	48.5	12.1	11.8	12.2	12.2	48.2	12.2	48.2
Heat Content(btu/cf)	1,077	970	1,064	1,050	1,079	1,050	1,050	1,050	1,057	1,050	1,050
Natural gas (bcf)	11.1	12.0	11.6	46.2	11.2	11.2	11.6	11.6	45.6	11.6	45.9
Natural Gas (mmcf)	125.1	130.4	126.2	126.6	122.3	125.9	125.9	125.9	124.9	125.9	125.9
Days	89	92	92	365	92	89	92	92	365	92	365
Oil (mb)	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Oil (mmbd)	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total gas & oil (bcf)	11.3	12.1	11.7	46.8	11.4	11.3	11.7	11.7	46.1	11.7	46.5
Price											
Natural gas (\$/mmbtu) (Henry Hub lagged two months)											
Henry Hub (\$/mmbtu)	2.92	3.23	3.59	3.02	4.73	7.59	5.81	5.53	5.91	5.76	6.17
Differential (%)	31	28	40	30	31	36	33	33	34	33	34
Total	2.02	2.33	2.16	2.13	3.24	4.83	3.89	3.70	3.91	3.86	4.06
Natural gas (\$/mcf)	2.18	2.26	2.30	2.24	3.50	5.07	4.08	3.89	4.13	4.05	4.27
Oil (\$/bbl) (WTI Cushing lagged two months)											
WTI Cushing	23.80	26.49	28.96	24.70	29.55	36.53	33.53	30.48	32.52	28.93	32.37
SJT	19.14	21.95	24.00	20.10	24.48	30.26	27.78	25.25	26.92	23.97	26.79
Total gas & oil (\$/mcf)	2.19	2.28	2.32	2.25	3.51	5.07	4.09	3.89	4.14	4.05	4.27
Revenue (\$mm)											
Natural Gas	24.2	27.1	26.7	103.3	39.4	56.8	47.3	45.0	188.5	46.9	195.9
Oil	0.5	0.5	0.5	1.9	0.5	0.7	0.6	0.6	2.4	0.5	2.4
Total	24.8	27.6	27.2	105.2	39.9	57.5	47.9	45.6	190.8	47.4	198.3
Cost (\$mm)											
Severance tax	2.4	2.3	3.1	10.5	4.0	5.8	4.8	4.6	19.1	4.7	19.8
Operating	3.7	4.0	3.4	15.2	4.0	3.8	4.1	4.1	15.9	4.1	15.9
Total	6.0	6.3	6.5	25.6	8.1	9.5	8.8	8.6	35.1	8.8	35.7
Cash flow (\$mm)	18.8	21.3	20.7	79.6	31.8	48.0	39.0	37.0	155.8	38.6	162.6
Development	3.4	2.1	4.7	21.5	7.1	6.0	6.0	6.0	25.1	6.0	24.0
Net proceeds (\$mm)	15.4	19.2	16.1	58.2	24.7	42.0	33.0	31.0	130.7	32.6	138.6
Royalty income (\$mm)	11.5	14.4	12.1	43.6	18.5	31.5	24.8	23.2	98.0	24.4	103.9
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Administration	0.5	0.6	0.5	2.0	0.5	0.6	0.6	0.6	2.4	0.6	2.5
One-time	2.0	1.6		5.3					-		-
Distributable income (\$mm)	9.0	12.2	11.6	36.3	18.0	30.8	24.1	22.6	95.6	23.8	101.4
Modeling ratios											
Severance tax/revenue	9.5%	8.5%	11.5%	9.9%	10.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating cost (\$/mcf)	0.32	0.33	0.29	0.32	0.36	0.33	0.35	0.35	0.34	0.35	0.34
Development/Cash flow	18%	10%	22%	27%	22%	13%	15%	16%	16%	16%	15%

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Natural Gas Royalty Trusts

A Weekly Analysis

March 6, 2003

Table SJT-3
San Juan Basin Royalty Trust
Monthly Declarations

	<i>Dec-02</i>	<i>Jan-03</i>	<i>Feb-03</i>	<i>Mar-03</i>	<i>Apr-03</i>	<i>May-03</i>	<i>Jun-03</i>
Distribution (\$/unit)							
Declared	0.09	0.10	0.12				
Projected				0.17	0.17	0.26	0.23
Volume							
Natural gas (mmbtu)	4.08	4.07	3.97	4.09	3.70	4.09	3.96
Heat Content(btu/cf)	1,043	1,092	1,097	1,050	1,050	1,050	1,050
Natural gas (bcf)	3.91	3.73	3.62	3.90	3.52	3.90	3.78
Natural Gas (mmcf)	126	124	117	126	126	126	126
Days	31	30	31	31	28	31	30
Price							
Natural gas industry quotes lagged two months (\$/mmbtu)							
Henry Hub Daily/Futures	4.12	4.03	4.76	5.41	7.77	7.87	7.14
San Juan Monthly Index	2.52	3.25	3.45	4.14	4.58	5.91	
SJT/Henry Hub	0.54	0.71	0.66	0.69	0.53	0.68	0.70
SJT/San Juan Index	0.89	0.88	0.91	0.90	0.90	0.90	
SJT (\$/mmbtu)	2.24	2.85	3.14	3.73	4.12	5.32	5.00
SJT (\$/mcf)	2.33	3.12	3.45	3.91	4.33	5.58	5.25
Revenue (\$mm)							
Natural Gas	9.1	11.6	12.5	15.3	15.2	21.8	19.8
Other	0.0	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Cost (\$mm)							
Severance tax	1.5	1.2	1.3	1.5	1.5	2.2	2.0
Operating	0.5	1.5	1.3	1.3	1.3	1.3	1.3
Total	2.0	2.7	2.6	2.8	2.8	3.5	3.3
Cash flow (\$mm)	7.1	9.0	9.8	12.4	12.4	18.3	16.5
Development	1.6	2.7	2.4	2.0	2.0	2.0	2.0
Net proceeds (\$mm)	5.5	6.3	7.4	10.4	10.4	16.3	14.5
Royalty income (\$mm)	4.2	4.7	5.5	7.8	7.8	12.2	10.9
Royalty/Net proceeds	75%	75%	75%	75%	75%	75%	75%
One time							
Distributable income (\$mm)	4.2	4.7	5.5	7.8	7.8	12.2	10.9
Units (millions)	46.6	46.6	46.6	46.6	46.6	46.6	46.6
Distribution (\$/unit)	0.09	0.10	0.12	0.17	0.17	0.26	0.23
<i>Latest Twelve Month Average</i>							
Heat Content(btu/cf)	1,050	1,050	1,050				
Natural Gas (mmcf)	127	127	126				
SJT/Henry Hub	0.72	0.70	0.70				
SJT/San Juan Index	0.88	0.89	0.90				
Other revenue	(0.2)	(0.1)	(0.1)				
Operating	1.3	1.3	1.3				
Development	1.8	1.7	1.5				
Severance tax/revenue	10.1%	10.1%	10.1%				

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